S. HRG. 98-1190

FOOD AID IN AFRICA: LESSONS OF 1984, PROSPECTS FOR 1985

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON AFRICAN AFFAIRS

OF THE

COMMITTEE ON FOREIGN RELATIONS

AND THE

SUBCOMMITTEE ON
FOREIGN AGRICULTURAL POLICY

OF THE

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

SEPTEMBER 19, 1984

Printed for the use of the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry respectfully

U.S. GOVERNMENT PRINTING OFFICE

40-161 O WASHINGTON : 1985

S161-19
S381-19

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FOOD AID IN AFRICA: LESSONS OF 1984, PROSPECTS FOR 1985

WEDNESDAY, SEPTEMBER 19, 1984

UNITED STATES SENATE,
SUBCOMMITTEE ON AFRICAN AFFAIRS OF THE
COMMITTEE ON FOREIGN RELATIONS AND THE
SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY
OF THE SENATE COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC.

The subcommittees met, pursuant to notice, at 2:10 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Nancy Kassebaum (chairman of the Subcommittee on African Affairs) and Hon. Rudy Boschwitz (chairman of the Subcommittee on Foreign Agricultural Policy) presiding.

Present: Senators Kassebaum, Boschwitz, Pressler, Hawkins, and Huddleston.

Senator KASSEBAUM. The hearing will come to order.

It is a great pleasure to welcome our witnesses today to this hearing that I am cochairing with Senator Boschwitz. I think it is particularly appropriate that Senator Boschwitz as a member of the Foreign Relations Committee and as a member of the Agriculture Committee has been extremely interested in following this issue.

I know that we are both very appreciative of Peter McPherson, the Director of the Agency for International Development, and Richard Goldberg, Deputy Under Secretary for International Affairs and Commodity Programs at the Department of Agriculture, for being here today.

What we really hope to do is look at the lessons of 1984 and the prospects for 1985. The African Continent as a whole has experienced real tragedy this year with this famine. It has touched all parts of the continent in one way or another for the first time, which makes it in some ways different from the crises of the seventies with the Sahelian famine.

But I think it is a tribute to the fact that we have provided a great deal of assistance, not only because our farmers have, through their efficiency and their hard work and their innovativeness, become the providers and the breadbasket for the world, but also because our Government has been cognizant of the needs, has tried to step in, and has provided in many ways the relief efforts that have rescued millions of Africans from starvation.

There is much yet to be done, and I salute those who are in both AID and USDA who have worked very hard to try to come up with answers that will make our efforts work even better. To say that we have provided this assistance, we have worked with the private voluntary organizations [PVO's] which have been the main force there through the years to try to meet these needs, is one thing.

Moving on and addressing the real tragedy of the problems which still exist is another.

We very much appreciate both of you coming today to help us address where we are and where you think we can be going. It is a pleasure to welcome Senator Huddleston as well, who as a member of the Agriculture Committee has taken a keen interest in this issue.

Senator Boschwitz, do you have any opening comments?

Senator BOSCHWITZ. Thank you. I would defer to my senior Senator, Senator Huddleston. Do you have an opening statement?

Senator HUDDLESTON. Thank you, Madam Chairman and Mr. Chairman. I have some brief remarks.

I commend you for conducting this joint hearing. We are all aware of the widespread famine in Africa. The evidence of the human tragedy the famine is causing has already been well documented.

As Chairman Kassebaum has mentioned, Congress has recognized that tragedy and provided $150 million of food assistance through the emergency legislation passed this year. In addition, and very importantly, an additional $16 million to assist in the distribution of these food supplies was made available under an amendment I sponsored.

I personally sought a larger amount, as did others, but we are pleased that we were able to get at least this much. The ability to deliver food aid in a timely fashion would be greatly reduced unless adequate amounts of foreign assistance are available.

Any interruption in the transportation of relief supplies in the drought-affected countries undoubtedly would cost more lives. I believe that this hearing will provide Congress with information that will be useful in determining what additional assistance under the African Emergency Relief Program is needed.

There are many indications that a continued effort, including sufficient funding in the next fiscal year, will be needed to alleviate the worst effects of the famine. I believe that the United States stands ready to provide this assistance for such needs as are identified. I look forward to the testimony this afternoon.

Thank you.

Senator KASSEBAUM. Thank you.

Senator Boschwitz.

Senator BOSCHWITZ. Madam Chairman, I thank you very much. I, too, am pleased that Senator Huddleston is with us today.

Not only as a member of the Foreign Relations Committee, but as chairman of the Subcommittee on Foreign Agricultural Policy of the Agriculture Committee, I have taken quite a bit of interest in the food aid requirements that other nations have.

Providing food aid, particularly to Africa, is one of the greatest humanitarian challenges facing our country and the world. If all we had to do was to load commodities onto ships and send them

sailing, it really would not be that hard. After all, we have abundant supplies, and they certainly have an abundancy of need.

Problems arise, however, once the food gets to Africa, which severely limits our ability to provide assistance to people who need that assistance. Lack of basic infrastructure, such as adequate roads, combined with shortages of fuel and spare parts for trucks, can make food delivery almost impossible, despite the best of intentions.

On top of that, it sometimes seems difficult to find qualified organizations to oversee distribution.

I am interested to learn how these roadblocks have been dealt with during the past year, and what hope there is in the future, what lessons we have learned after shipping the largest amount of food aid ever to the sub-Saharan Africa, and what we can expect in the future in that area, what is the projected need in food aid for fiscal year 1985, and perhaps by planning now we can better overcome some of the problems which are inherent in this undertaking.

From the broadest perspective, I favor substantially increasing the Public Law 480 program, assuming appropriate recipient countries can be found, which is not as easy as sometimes would appear. My personal bias is to use food as a tool for peace. That goal is more easily attained if the food is reaching needy people instead of sitting in storage here in the United States.

I believe there is a potential to expand both title I and title II of Public Law 480. Many countries are struggling with excessive debt, and are no longer able to purchase food commercially. They might be candidates for concessional sales under title I. Many other countries, such as the drought-stricken nations of Africa, are largely too poor to be able to buy even on concessional terms.

I would prefer to supply them with grants under title II. Perhaps in some cases we could change the mix of assistance we provide, and send more food and less of other things. As long as our actions do not discourage local agricultural production, it seems to me to be prudent to move in this direction.

My conversations with knowledgeable people have led me to believe that Public Law 480 could be effectively increased by at least $1 billion. This would not only help people overseas, but it could boost our sagging agricultural sector, and economic analysis indicates that $1 billion of additional agricultural exports will create 25,000 jobs, raise the price of grain by several cents a bushel, and our own economy would receive substantial benefits, and the cost of the agricultural programs would be substantially reduced.

Although I am not making specific proposals today on how to expand Public Law 480, I would welcome comments and suggestions from our witnesses. The current program level of $1.6 billion to $1.8 billion has remained fairly constant for several years, and we should not get into the habit of thinking that a simple continuation of that existing level makes the most sense.

We have problems with hungry people around the world, and burdensome agricultural surpluses at home. I would like very much to make Public Law 480 the solution to those problems.

I would hope that our witnesses today will direct their attention to how we can expand—what the possibilities are in their judgment for expanding the Public Law 480 program, what it would do to

commercial sales, and if it would impinge upon them, and simply be a substitute for them, which of course would not be the goal; second, whether or not the food, once it arrives, can be distributed.

As Senator Huddleston has indicated, perhaps we need to appropriate more in those areas.

And third, if we can do so constructively without undermining the agricultural systems in those countries which in the end are going to have to be responsible for feeding their own people if they really are going to be a success. If we simply undermine another country's agriculture by sending food in that is free, we will not achieve the purposes that we want.

I think that food for peace is just an enormous opportunity. It is so appealing. It just seems so logical that we use food in a world that is one rather than using other elements that are normally found in traditional foreign aid schemes.

So, I look forward to this hearing, and I look forward to listening to the opinions of two people in government whom I highly respect. I want to hear what they have to say about the possibilities of expanding Public Law 480.

Thank you, Madam Chairman.

Senator KASSEBAUM. Thank you.

Mr. McPherson.

STATEMENT OF HON. M. PETER McPHERSON, DIRECTOR, AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. MCPHERSON. Madam Chairman, Senators, it is good to be before these committees once again. Your putting this together as a joint hearing is a very appropriate approach, and I believe it helps the executive branch focus its efforts. I think over a period of time it will prove to be a most constructive action, and I congratulate you for it.

I have submitted a written statement which I would wish to have entered into the record. Let me make a few additional comments and summary comments.

One, as has been said several times, our overall response to the terrible situation in Africa has truly been enormous by any standards: $172 million, over half a million tons of food, which is about two-thirds of our emergency food this year, and we calculate roughly 50 percent of the emergency food assistance going into Africa this year has been from the U.S. Government.

Ethiopia is a case in point. It is a tremendously large program, with some $26 million of various types of disaster assistance, and 50,000 tons of food in this calendar year are going to Ethiopia, so it is a very large response indeed. The measure, of course, is not how large the response is, but the measure obviously in the end is how many people are in need, and how well we reach them.

We continue to work at that. I think it is important in the final days of this fiscal year to determine what have we learned, and to see if we can learn more. Of course, we are not all through with our learning. In fact, we have some people in Africa right now doing needs assessments, particularly in some hard hit countries, so we are going to have some information.

But let me give you preliminarily some thoughts. Our efforts to resolve transportation problems have proven to be quite valuable in some places. Our decision almost a year ago now to contract with the Catholic Relief Services [CRS] to provide cash to them to rent trucks in Ethiopia worked out very well.

We were intent not to buy trucks, some of you will recall, but having money right there, and a very flexible system to rent them, was effective. We are going to in our judgment spend very effectively the $16 million that Senator Huddleston mentioned a moment ago.

Some of that, incidentally, will go into Ethiopia. We will apply those funds, I suspect, fairly broadly. The PVO community working in Africa has expanded. We now have some 25 American PVO's working in Africa in title II programs, and the experience that those individual PVO's has gained has been important.

Many of them have expanded their efforts. Frankly, we expect to have their activities expand more, and it would be my intent to get additional groups. We are able to measure individual PVO's performance, and those measurements will be a help to us as we move into another very difficult period.

We learned again, we learned it before, but we have learned it again, how important the local government is. We really never can forget that we cannot replace a local government. The local government has to carry its weight. We think about individuals quickly getting used to a dole. Well, I think that governments even more quickly get used to the dole, and even more quickly are unwilling to do for themselves what they can do if outsiders are willing to pick up the burden.

The problem of wanting to avoid getting governments too heavily dependent is one that we experienced in Ethiopia. It is our clear and strong feeling that Ethiopia could do an enormous amount more. You have all read the accounts of the $100 million or $200 million spent for this recent celebration, their government's 10-year anniversary.

There are a lot of questions and problems that we have had in Ethiopia, and we think the Ethiopian Government just has to do more. That is a lesson that we have learned again, and that we would like to state again here.

There are some other ideas and lessons that my USDA colleague may well want to discuss in a moment, regarding the shipping of the food. For example, USDA has come up with the thought that perhaps we can move food out of the United States more quickly by purchasing at the United States port of transport in some emergency situations.

Ideas such as this have been helpful. Regarding how we might do some things perhaps not differently but more extensively next year, let me say this. I am convinced that probably the most frustrating thing about working in Africa is that obtaining data is difficult. We do not even know how many people are in the countries, let alone how many hungry people.

We have these estimates, but do not scratch too deeply, because you will find that it is data that someone has extrapolated. However, the frustration from that lack of information in my judgment doesn't mean that you just sit back and say we do not know.

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You have to continue to work at it. I would expect that our assessments on the ground will probably be more elaborate than ever. We have done a lot of work this last year and the year before, but we will need to elaborate more than ever. I am just not satisfied with the data, and I will not be satisfied until my assessments are complete. I expect more elaborate assessments from the field this year than ever before.

And I expect that we will have a more broadly based monitoring program than ever, so as to be able to detect the problems as early as possible. Sometimes there are pretty big problems that are not addressed.

Of course, I expect also that there will be closer coordination among donors. In some cases, in some countries it has been kind of hard to get all the donors really working together closely. However, this disaster has gone on long enough, and capitals around the world are excited enough about it so that I think the coordination can be closer.

We expect to play a very major role in that coordination, being really the major player in terms of food. As is typical with us, we prefer not to be the coordinator, but prefer to have some U.N. entity or some other major donor do it. It just works better, we have often found.

On numbers in 1985, I do not really know what the numbers will be, I think that you have to be a little patient with us, as you have been. We will keep you closely informed.

We are committed to the concept that we should respond to the clear need when we can deliver food to the hungry person, that we ought to get at the business of doing so, and we will keep you informed of what we think we need.

I have one last comment. This disaster, as you Senators here so well know, is important and needs to be responded to, but as you also have many times said, it cannot cause us to forget the long-term solutions that we need to worry about.

The Senate Foreign Relations Committee has been very supportive, for example, of the Africa economic policy initiative, which looks to policy change in agricultural production long-term in Africa and the many other items and programs that the executive branch has proposed.

You have just been enormously supportive of them. This is an immediate disaster, and we have to keep on working on the long-term program.

Madam Chairman, it is good to be here again.

[Mr. McPherson's prepared statement follows:]

Chairpersons Kassebaum and Boschwitz, and committee members :

I appreciate this opportunity to appear before you today to report on the African food crisis. I would like to thank all of the members of the committee for their continuing support in our efforts to assure an appropriate United States response to the African food crisis, and most particularly, I would like to thank Senators Danforth, Kassebaum and Boschwitz for their assistance in guiding the $150 million supplemental food package

The impact of the drought in Africa in 1984 is very serious. Crop failures have been recorded throughout the continent, and the ensuing food crisis resulted in the donation of unprecedented food assistance from the United States and other donors. To date in 1984, A.I.D. has approved emergency food requests totalling $172 million or 505,000 metric tons. When added to our regular Title I, II and III PL-480 food programs, this has resulted in more than $430 million or 1.4 million metric tons of food for Sub-Saharan Africa this year.

The difficulties in identifying when and where food will be needed; which donor can respond with the needed commodities and when; and who will be responsible for inland transport (how, which areas, who pays, etc.) and monitoring this enormous quantity of food assistance has been considerable.

We believe that the United States has risen to the challenge and been successful in ensuring our food resources have been delivered to those most severely in need, the people for whom the assistance was intended, without diversion.

We have learned a good deal about the distribution problems involved in handling these very large amounts of food commodities. I would like to share some of the problems we have encountered with you today, and, to the extent possible, discuss what we have done with regard to solutions.

Identification of Need

To begin with, we have found that the accurate identification of food assistance needs is a formidable task. Along with the rest of the donor community, the U.S. has limited personnel in the field, huge areas of land to cover, diverse cultural and, in many cases, strife-filled barriers to cross, and strained and resource-poor governmental structures charged with supplying data that would be difficult to obtain even in the United States.

In addition, it is extremely difficult to obtain accurate projections of on-farm food stocks. To some degree, private commercial stocks are equally difficult to identify. It is only through on-sight inspection in the field that useful information is pieced together.

One example of the problems encountered in piecing together accurate information is the almost weekly change in rainfall patterns during the growing seasons. Several dry weeks early in the planting season may give an indication of potentially vast crop shortfalls, only for the early projection to be reversed by adequate rains late in the growing season. It is difficult to make accurate production projections in East and Central Africa during the summer growing months due to variations in precipitation. (Winter rainfall provides an equally difficult situation in Southern Africa.)

In spite of the myriad limitations, I believe that the data used in determining food needs is accurate enough to permit reasonable estimates of food shortages sufficiently far in advance so that our food assistance decisions can be made on a timely basis. This is due to our policy of not relying on one single information source. We take information from all international organizations, other donors, private and voluntary agencies, and the host government, and then review

our projections with our field missions. These final projections are then discussed with host governments, and requests for assistance are forwarded to Washington for review. The result is as accurate an assessment of the need as possible. In addition we are striving to improve our capacity to assess need as part of the President's five food aid initiatives. USDA is setting up a food aid task force in the next few weeks. The primary responsibility of this task force will be to further strengthen the U.S. Government monitoring system.

Logistical Capability

The second major problem area is in the area of logistics. Although we can mobilize resources here in the United States within weeks of approving an emergency food request, there is less we can do about the movement of food once in arrives off the coast of Africa. Blockages at the off-loading ports, limited inland transportation links, and the lack of effective distribution mechanisms all complicate and retard expeditious delivery of needed food commodities. We have little power to change what presently exists in the short term -- the challenge is to maximize the effectiveness of what is there. We continue to make improvements where possible through coordination of donor efforts and greater use of PVO capabilities. In

addition, experience over the past year has impressed upon recipient governments the necessity of giving high priority to relief efforts.

The most important single factor in efficient and effective distribution of food is the early identification of need. Due to the nature of the harvest, critical food shortages generally occur well after the completion of the growing season. This allows time for the accurate assessment of production, the ensuing estimate of shortfalls and, if necessary, emergency food aid decisions that can allow delivery of assistance on a timely basis.

Another critical need is adequate field supervison and, if necessary, resources to assist in improving logistical response. I believe A.I.D. has utilized its field resources well. These field resources include Embassy, USAID, AID contractors, as well as information and logistical support from PVOs. There are food recipient countries where we have had limited impact on improving logistics. We continue to study how the system can be improved as well as identify those non-food contributions that would make qualitative and quantitative improvements in the distribution process.

Timeliness of Assistance

This is an extremely difficult area to control. Our aim is to have food assistance in place prior to the time of need so there is no lapse in feeding - particularly for the vulnerable age groups, the young and the elderly, as well as pregnant and lactating women. A.I.D.'s identification of need is quite good, and almost without exception we are able to divide our resources among those most in need on an accurate and responsive basis.

Of all the donors, the United States has shown over the past year that it is able to respond to food emergencies most quickly. We will now be able to be even more responsive. USDA has recently changed procurement procedures to allow for purchase of commodities at Gulf ports, thereby reducing shipment time by at least one third.

One of the major reasons the United States can be so responsive to food aid needs in Africa is due to the President's request to the National Security Council asking for ways to further improve our humanitarian responses. The resultant Emergency Food Aid Initiative, which was made public this July, includes five key points:

> Prepositioning emergency grain supplies in selected Third World Countries to accelerate our response to crises;

Establishing a $50 million Presidential fund to meet unanticipated emergency food needs;

Paying ocean freight and inland transportation in special emergency situations;

Establishing a task force to better predict food shortages and emergencies

Establishing an advisory group of business leaders to assist us in better anticipating and meeting Third World food needs.

Although we think the above initiatives will assist us in being as responsive as possible, we still face difficulties - often beyond our control.

Critical in country logistical links are not always reliable (as in Ethiopia) and, as a result, may complicate an immediate humanitarian response on the part of all donors. Obviously our ability to deal with internal problems within the recipient country are limited by the extent to which the host government is willing to receive and properly utilize our emergency assistance.

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The food aid program for Ethiopia is an example of the problems encountered when lack of cooperation by the host government (with any of the other donors as well as with the U.S.) leads to confusion over how much food is needed; which portions of the country will need food aid and when; and how it will be administered and delivered. While we do not often support the political objectives of the Ethiopian Government, we have provided over 46,000 tons of emergency food aid, more than any other donor. In addition, we provided $1.6 million for purchase and leasing of trucks by nongovernmental organizations to improve food distribution to people at risk. The United States has provided this large quantity of emergency assistance through voluntary agencies and international organizations, despite the fact that the Ethiopian Government has not given adequate priority to emergency relief nor demonstrated to donors that emergency food aid is adequately administered. We understand that other donors, because of these same concerns, are increasingly moving their food aid through private voluntary organizations. We continue to urge the Government of Ethiopia to cooperate in providing reliable, up-to-date data and in providing higher priority for moving food aid once it has arrived in Ethiopia.

Emergency food programs of private and voluntary organizations

as well as international organizations has proven to be an effective mechanism for particularly difficult programs. The success of this strategy can be seen in Ethiopia where we utilized Catholic Relief Service (CRS) and Lutheran World Relief (LWR). In addition, The United States has encouraged other donors to provide food resources when their chance of success exceeds our own. Examples of this can be seen in Mozambique, where the World Food Program has taken the lead in some of the food distribution efforts, and Angola, where the ICRC has taken the lead. In both cases the U.S. is contributing food to the lead organization.

Although assistance in distribution has been particularly helpful, private and voluntary organizations as well as international organizations have also been useful in supplying data on needs as well as monitoring food deliveries. Recently A.I.D. has begun to work with the Peace Corps on the increasing use of Peace Corps volunteers to report on food and crop conditions in remote rural areas in countries in which the Peace Corps is active.

Long-Term Impact

Up to now, I have reviewed some of the problem areas associated with the short-term impact of food assistance programs. Many

of the most important considerations surrounding food assistance programs deal with the long-term impact of assistance.

Questions relating to planning and production disincentives, dependency, and marketing constraints may mitigate against continuing food assistance programs on an annualized basis. To be sure we are doing all that we can to see that unexpected food shortfalls do not adversely affect those least able to control their own destiny, yet we also are constantly cognizant of the long-term impact of our assistance programs. The consideration of this impact forms the cornerstone for our bilateral development assistance program in Africa.

The United States and other donors realize that the solution to Africa's food shortage will only be found in encouraging African farmers to produce and distribute more food and in increasing the purchasing power of the poor. However, this long-term challenge becomes increasingly serious and more difficult to address with the passage of time.

In the medium and longer-term, the constantly widening food gap can be attributed to:

--- policies of African governments which are a disincentive to domestic food production and distribution;

--- insufficient encouragement of private sector activities which increase food production, employment and economic growth;

--- inadequately developed public and private institutions to sustain development;

--- insufficient incentives for technological improvement, adaptation and dissemination; and,

--- low priority given to human resource development, especially basic education, training, and health services such as nutritional status monitoring.

Drought, generally a short-term phenomenon, during the past few growing seasons, has dramatically highlighted these policy and resource problems in nearly all sub-Saharan African countries.

I am encouraged that a number of leaders of African governments have taken action to address the causes of the current food

crisis by changing agricultural policies, including removing controls from producer prices, agricultural inputs, and credit as well as improving market access. These factors act together to distribute resources more equitably and increase production.

More needs to be done.

Business-like methods must be brought into African agriculture, and I am encouraged that free enterprise is paying off in several countries in increased food production. The United States can assist in a number of ways by focusing on a change in its policy toward Africa as well as the policy of African countries toward agriculture. Considerable progress has already been made in Zambia, Mali, and Senegal.

AID believes poor economic policies are a major factor that has stymied the incentive to produce and market more food. During the years ahead we hope to expand further constructive policy change through targetted AID programs focusing on this important area. A key instrument in bringing about this change will be the Economic Policy Initiative (EPI) for Africa, which was requested by the President in his FY 1985 budget. The EPI will be directed toward those countries which can establish a comprehensive policy framework both at the macroeconomic and

sector level, particularly in agriculture, because it is the heart of most African economies. The EPI could provide a strong focus on agriculture and on the means for Africa to produce more food.

Policy changes have both an immediate and long-term effect, but these must be coupled with encouragement of a private and governmental institutional infrastructure which will support sustained efforts. While these changes in policy and institutional capacity occur, the United States and other donors will continue to be generous in providing food aid. This requires us to:

--- better know the needs in each African country;

--- define more carefully technical assistance and commodities needed by countries;

--- cooperate with other donors to get the maximum impact for all assistance;

--- acknowledge the limited absorptive capacity for food and technical assistance in many countries and tailor our aid package to the capabilities of those countries most seriously affected by the food crisis;

--- identify groups especially affected by food shortages and target assistance to them; and,

--- carefully monitor the performance and nutritional impact of programs funded by the United States taxpayer.

Our goal is to provide emergency food aid to people facing an immediate risk to their survival as well as provide the incentives and technical support necessary to permit African countries to deal with long term problems. This is a most difficult responsibility. I look forward to your assistance in seeing that our program is as effective as possible.

Conclusion

When I was initially invited to appear before this committee, your staff informed us that you had a particularly keen interest in hearing about our problems, perhaps exploring how we deal with them, and then outlining those steps that Congress might take to assist us in meeting our country's humanitarian concerns. As I have outlined in my remarks, many of the problems we encounter seem to be beyond our control for finding a quick solution. Factors such as weather and precipitation are obviously uncontrollable, and the governmental structures in recipient nations vary greatly.

Although we believe we are doing a good job, we constantly strive to do a better job. In addition, we are most appreciative of the support you have given us during the crisis of last year, and the promise of continued assistance during the coming year.

At this time I believe that Congress can be most helpful in maintaining its keen interest in the African food problem. If and when events dictate that additional supplementary assistance is necessary for Africa in FY 1985, I hope you will favorably consider a supplemental request, should it be necessary. I am reluctant to predict the need for a supplemental request at this time, however, due to incomplete production data on the summer growing season in the Sahel, the impossibility of predicting the effect of the short rains in East Africa, and my belief that too much food can have a significant negative economic impact as well as overtax an already fragile infrastructure.

In closing, I am extremely grateful for the increasingly close and productive working relationship that has been developed between AID and Congress during the past three years, and we look forward to continuing that association for the forseeable future.

This concludes my opening remarks. I will be pleased to receive any questions that you might have.

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Senator KASSEBAUM. Thank you very much.
Mr. Goldberg.

STATEMENT OF HON. RICHARD W. GOLDBERG, DEPUTY UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS, U.S. DEPARTMENT OF AGRICULTURE

Mr. GOLDBERG. Madam Chairman Kassebaum, Chairman Boschwitz, Senator Huddleston, I appreciate the opportunity to be with you here today.

Africa's chronic food problems have escalated into an emergency situation over the past 2 years as a result of many things that we are all familiar with, such as drought, internal strife, and continued lack of agricultural production incentives and technology, something that this administration, this country has tried to do something about.

The United States, through title II of Public Law 480, has responded to the emergency with an unprecedented 505,000 tons of donated food, and food aid worth $172 million in fiscal year 1984. This represents three-fifths of the total emergency food aid provided by the United States this fiscal year, and far exceeds food donations by the World Food Program, or any other bilateral donor.

Assistance has been offered to all needy countries, even those that have political differences with this country, such as Ethiopia. That was rather dramatically dealt with in the Washington Post yesterday. It is this administration's belief that a hungry child knows no politics, and to that extent we are dedicated to helping hungry nations.

USDA's role in the food aid effort is this. The USDA has always had a major role in the U.S. food aid effort in both its bilateral programs and multilateral efforts. On the multilateral side, we worked first with the United Nations Relief and Rehabilitation Association, and then with the World Food Program.

Our major bilateral assistance tool has been Public Law 480, which celebrated its 30-year anniversary on July 10, 1984. In the 30 years since its inception, the Congress has appropriated $33 billion in food assistance to millions of people in more than 100 countries. That is not to say, Madam Chairman, that we cannot do better, but that is a pretty good record over the last 30 years.

The Reagan administration has maintained a strong commitment to Public Law 480. Funding for the program has increased despite constraints on the Federal budget. In fiscal year 1984 the United States is programming more than $1.6 billion under Public Law 480 to make available roughly 6.4 million tons of 25 different commodities to more than 80 countries.

The President's budget for 1985 requested almost $1.7 billion for Public Law 480. In addition, the recently enacted Agricultural Programs Adjustment Act directed the President to seek additional funding under titles I and III in fiscal year 1985 to a figure of $175 million.

Supplemental funding which has now been appropriated, when combined with the President's budget request and $60 million appropriated earlier for title II African drought aid brings available Public Law 480 funding to over $1.9 billion in fiscal year 1985.

Public Law 480 tonnage could reach as high as 8 million tons in fiscal year 1985.

Let me discuss section 416. In addition to Public Law 480, the section 416 program as recently amended permits the United States to donate dairy products and wheat to needy people abroad. As of September 11, shipments during fiscal year 1984 approximated 165,000 tons of dairy products with an estimated market value of $150 million.

Whether wheat will be provided for in section 416 programming will be considered on a case-by-case basis.

Also authorized under section 416 is a 2-year pilot program for the donation of ultrahigh temperature [UHT] fluid processed milk acquired through barter in exchange of CCC-owned dairy products. The Secretary of Agriculture has initiated pilot shipments of UHT milk to recipients in Tanzania and Haiti.

I will discuss next the U.S. food security reserve. Four million tons of food in the security wheat reserve authorized by Congress in 1980 provides a valuable backup for the U.S. food aid effort in Africa and elsewhere. So far, this reserve has yet to be needed. Large wheat crops during 1981 through 1984 and ample supplies for food aid purposes have made it unnecessary to draw upon the food reserve.

In addition, no emergency situation has yet arisen that could not be met by using existing Public Law 480 funds or by obtaining the necessary supplemental funding from Congress. However, the food security wheat reserve is a worthwhile assurance against international disasters.

What is the outlook for the future? The food aid needs in specific regions in Africa are expected to remain above average next year. USDA is planning its food aid programs accordingly. We have already approved a number of emergency food aid programs in Africa for 1985.

In addition, the Agency for International Development, as Mr. McPherson pointed out, is cooperating with other international donors to make the most effective use of the $16 million supplemental appropriation earmarked for internal transport of emergency food in Africa.

There is a need for more food aid. It is important that U.S. assistance programs in Africa not be confined solely to the distribution of increased quantities of food to Africa. Ultimately, the solution to Africa's food problems cannot come from outside donors, but from the development of its own agriculture and other industries, thereby increasing the purchasing power of its citizens through economic growth.

I might make reference to what Senator Boschwitz said in his opening remarks. He mentioned the economic development and displacement of U.S. food for homegrown food, so to speak, in African nations. That is a critical part of the problem.

I might mention that the original purpose of Public Law 480 some 30 years ago was twofold. That was to get rid of U.S. surpluses and for economic development in Third World countries. It was a marketing tool to get us into the business of exporting our abundant agricultural commodities.

We should encourage African governments to provide greater incentives to farmers to increase domestic food production. So many of these countries have farmers that are inefficient, who barely eke out any living at all, and as you pointed out, Senator, the dumping of U.S. products in their markets is not exactly in all cases, in their long-term best interest.

We need to encourage the private sector activities which stimulate economic growth and give greater support to public and private institutions to sustain development. We also need to increase the incentives for technological improvement, adaptation, and dissemination, and to give high priority to human resource development, particularly basic education and training.

We have already seen some encouraging progress along these lines. A number of African governments have taken steps to remove controls from producer prices and agricultural inputs, increased credit, and improved market access.

All these factors act together to distribute resources more equitably and to increase production.

This administration fully shares the concern of the subcommittees conducting this hearing, and pledges to continue doing all in its power to work with those in Congress and the international donor community to ensure that we are addressing the African food crisis in an expeditious manner.

I might add that the long-term goals of the United States in helping these poor, starving people in Third World nations, particularly in Africa, is to do something about their economic growth so that they can start generating some kind of financial fluidity, so that they can both put those inputs to work in their own development, and also to have money to buy United States and other agricultural products.

I thank you very much. That concludes my statement. I would be happy to answer any questions that you might have.

[Mr. Goldberg's prepared statement follows:]

Statement by Richard W. Goldberg
Deputy Under Secretary for International Affairs
and Commodity Programs
U.S. Department of Agriculture
Before the Subcommittee on African Affairs,
Senate Foreign Relations Committee, and
The Subcomittee on Foreign Agricultural Policy,
Senate Agriculture Committee
September 19, 1984

Madame Chairman, members of the subcommittees, I appreciate the opportunity to discuss with you the use of agricultural commodities in helping alleviate world hunger, especially in Africa.

As you know, Africa's chronic food problems have escalated into an emergency situation in the past two years as a result of drought, internal strife and continued lack of agricultural production incentives and technology.

The United States—through Title II of the P.L. 480 program--has responded to this emergency with an unprecedented 505,000 tons of donated food aid worth $172 million in fiscal year 1984. This represents three-fifths of the total emergency food aid provided by the United States this fiscal year—and far exceeds food donations by the World Food Program or any other bilateral donor. Assistance has been offered to all needy countries, even those with which we have political differences, such as Ethiopia. It is this Administration's belief that "a hungry child knows no politics."

USDA's Role in the Food Aid Effort

The U.S. Department of Agriculture has always had a major role in the U.S. food aid effort--in both its bilateral programs and multilateral efforts. On the multilateral side, we worked first with the United Nations Relief and Rehabilitation Association and then the World Food Program.

Our major bilateral assistance tool has been Public Law 480. In the 30 years since its inception, this program has provided more than $33 billion in food assistance to millions of people in more than 100 countries.

The Reagan Administration has maintained a strong commitment to P.L. 480. Funding for the program has increased despite constraints on the Federal budget. In fiscal year 1984, the United States is programming more than $1.6 billion under P.L. 480 to make available roughly 6.4 million tons of 25 different commodities to more than 80 countries.

The President's budget for 1985 requested almost $1.7 billion for P.L. 480. In addition, the recently enacted Agricultural Programs Adjustment Act directed the President to seek additional funding for P.L. 480 Titles I/III in fiscal year 1985 of $175 million. This supplemental funding, which has now been appropriated, when combined with the President's budget request and $60 million appropriated earlier for Title II African drought relief, brings available P.L. 480 funding to over $1.9 billion in fiscal year 1985. P.L. 480 tonnage could reach as high as 8.0 million tons in fiscal year 1985.

Section 416

In addition to P.L. 480, the Section 416 program, as recently amended, permits the United States to donate dairy products and wheat to needy people abroad. As of September 11, shipments during fiscal year 1984 approximated 165,000 tons of dairy products with an estimated market value of more than $150 million. Whether wheat will be provided for Section 416 programming will be considered on a case by case basis.

Also authorized under Section 416 is a two-year pilot program for the donation of ultra-high temperature (UHT) fluid processed milk acquired through barter in exchange of CCC-owned dairy products. The Secretary of Agriculture has initiated pilot shipments of UHT milk to recipients in Tanzania and Haiti.

U.S. Food Security Reserve

The 4-million-ton Food Security Wheat Reserve, authorized by Congress in 1980, provides a valuable backup for the United States' food aid effort in Africa and elsewhere.

So far this reserve has yet to be used. Large wheat crops during 1981-84 and ample supplies for food aid purposes have made it unnecessary to draw upon it. In addition, no emergency situation has yet arisen that could not be met using existing P.L. 480 funds or by obtaining the necessary supplemental funding from Congress. However, this Food Security Wheat Reserve is a worthwhile assurance against international disasters.

Outlook for the Future

The food aid needs in specific regions in Africa are expected to remain above average next year, and USDA is planning its food aid programs accordingly. We have already approved a number of emergency food aid programs for Africa in 1985. In addition, the Agency for International Development is cooperating with other international donors to make the most effective use of the $16 million supplemental appropriation earmarked for internal transport of emergency food in Africa.

The Need for More Than Food Aid

It is important that U.S. assistance programs in Africa not be confined solely to the distribution of increased quantities of food to Africa. Ultimately, the solution to Africa's food problem cannot come from outside donors, but from the development of its own agriculture and other industries, thereby increasing the purchasing power of its citizens through economic growth. The United States should assist in this process. We should also encourage African governments to:

--provide greater incentives to farmers to increase domestic food production;

--encourage private sector activities which stimulate economic growth;

--give greater support to public and private institutions to sustain development;

--increase the incentives for technological improvement, adaptation and dissemination, and

--give high priority to human resource development, especially basic education and training.

We have already seen some encouraging progress along these lines. A number of African governments have taken steps to remove controls from producer prices and agricultural inputs, increase credit and improve market access. All these factors act together to distribute resources more equitably and to increase production.

This Administration fully shares the concern of the subcommittees conducting this hearing and pledges to continue doing all in its power to work with those in Congress and the international donor community to ensure that we are addressing the African food crisis in an expeditious manner.

This concludes my statement. I will be happy to answer any questions you have.

Senator KASSEBAUM. Thank you very much.

I might say that one reason we felt this hearing was very timely was because of the two recommendations that have been made regarding the $50 million for the Presidential emergency food assistance fund, that is, reprogrammed moneys through AID, and also the authority to use the Public Law 480 title II for distribution and transportation costs.

It is our hope that we can add these to the continuing resolution which will be coming through in the next couple of weeks, because otherwise action on these proposals would be delayed until some point next year. We felt that the joint hearings before the Foreign Relations and Agriculture Committees would help us get a better feel for how these will be used and how they could be of assistance.

Also, I think, coming at a time when Ethiopia is again facing such problems and has such an enormous tragedy, it really points up the struggle. I am sure you must feel and we feel, how do we get ahead of this problem? What can we do to better improve the agricultural situation with which we have struggled for a long time, as have many other donor nations? And how do we improve just the grains and food that is allocated there?

I think one of the problems surely must be that it has become very wearing and a strain to the private voluntary organizations as well as the other donor governments as we try to resolve some of these questions. I think that that is our desire as well.

I know, Mr. McPherson, when you mentioned the fact that the Ethiopian Government has to do more, well, we can say that, but what do we do to push the Ethiopians into a recognition that they have a responsibility and that all of us share in that responsibility?

This was really the intent, to ask some questions regarding the two initiatives that have been recommended from the study that Ambassador Keating did, I believe. Is that not correct?

Mr. MCPHERSON. That is right.

Senator KASSEBAUM. And then move on from there. I guess if I may I would like to start with the Ethiopia issue. I will ask if you have any thoughts regarding how we might pressure the government or if there has been any effort on its part to respond.

Mr. MCPHERSON. Let me say, Madam Chairman, that I think getting the two points of the President's initiative into the continued resolution——

Senator BOSCHWITZ. Would you pull the microphone up really close, please?

Mr. MCPHERSON. Certainly. Let me say that I think getting the two of the five points of the President's food initiative that need legislation into this continuing resolution would be really excellent. I am happy that we are having this joint hearing, and I hope that is feasible.

As to Ethiopia, we have been saying quite concretely the things that I mentioned today for some time. The Ethiopian Government, frankly, is not especially responsive to the U.S. Government, and I am not sure that we have had an enormous impact by saying these things. I felt it was very important, however, to articulate them.

Other donors have not been as publicly critical, though I know privately many of them have been extremely critical. Other donors have argued that they had to work with the Ethiopian Government. Therefore, if they went public with their concerns, they would not have such a good relationship.

Well, bit by bit, I think that is beginning to wear thin. The facts are that the Ethiopian Government is not giving the transport to the relief agency that is needed. They are closing off their ports to food at different times when those ports clearly need to remain open. There is more and more rumbling, if you will, to really push the Ethiopian Government.

I think as we begin to do it together as donors, it will help. Unquestionably, we have been a major force informally in urging that. There is some modest indication that the Ethiopian Government may be beginning to respond a little more. I read some cables yesterday that suggest that maybe they are going to begin to do some more.

I cannot tell you for certain that they are, but at least there are some indications that they might be.

Senator KASSEBAUM. They have been reluctant to let the army assist with the distribution. Is that not correct? Is it believed that this will be of real assistance if they would do that?

Mr. MCPHERSON. That might be helpful, but in many ways what I would like even more is the army trucks. I want the trucks. They can leave their soldiers home. Just give us the trucks.

Senator KASSEBAUM. Is there any other way to distribute the food through routes other than ports? Have you looked at alternatives?

Mr. MCPHERSON. Yes, we have had some food come in through Sudan from across the border. That is particularly true in the disputed areas.

Senator KASSEBAUM. Can more be done there?

Mr. MCPHERSON. Perhaps some, but logistically that is not very easy in itself. The principal way of getting the food in to Ethiopa is probably through the ports. And there is a question as to how much the ports can take, of course, even if those ports are available.

Now, the government has said just recently that between, I think, October and some time this spring they were going to give priority to fertilizer, cement, and machinery coming into Assab, the principal port, instead of food. Now, that priority may not necessarily be followed, and of course a lot of people are saying that the priority does not make sense at all.

Senator KASSEBAUM. Let me ask one other question, regarding the reprogramming and the $50 million. Is this to be used as a cushion so that it is quickly available to send to meet a crisis?

Mr. MCPHERSON. That is correct.

Senator KASSEBAUM. Will you determine ahead of time from where the funds will be reprogrammed? Or is that going to be a decision that you will make when you have to reprogram?

Mr. MCPHERSON. I think we have not made a decision as to from where they would be reprogrammed at this time. If I understand your question, we have not decided. We will decide when we have the authority to do so.

Senator KASSEBAUM. I would imagine there would be some question when you decide to reprogram the $50 million whether this would cause some problems elsewhere.

Mr. MCPHERSON. Yes, it would.

Senator KASSEBAUM. Have you analyzed that yet?

Mr. MCPHERSON. We have looked at it, but to be honest, as a practical matter, we have deferred it until we have the authority to do it. You can appreciate that, I am sure.

Senator KASSEBAUM. I certainly can. We do the same thing. [General laughter.]

I have some other questions, but let me turn the discussion over to my fellow panelists. Senator Huddleston.

Senator HUDDLESTON. Thank you, Madam Chairman.

Mr. McPherson, what kind of assistance is the Soviet Union providing to Ethiopia?

Mr. MCPHERSON. Nothing. They have provided no food at all this year.

Senator HUDDLESTON. Have they provided any type of aid?

Mr. MCPHERSON. They have provided items such as cement.

Senator HUDDLESTON. Not very appetizing.

Mr. MCPHERSON. Not very appetizing. Let them eat cement, Senator. That is their concept.

Senator HUDDLESTON. Will they provide any help at all in the distribution of food aid?

Mr. MCPHERSON. Not to my knowledge, though my knowledge may not be complete. Perhaps there may be some military-related distribution that I am not aware of.

Senator HUDDLESTON. Who are the other major aid donors that you referred to in your testimony?

Mr. MCPHERSON. The EEC [European Economic Community], the French, the English, the Canadians. The Canadians are very impor-

tant. The donor community that historically responds to these kinds of things has really come in.

Senator HUDDLESTON. Has the Government of Ethiopia made any formal request to anybody for support?

Mr. MCPHERSON. Yes; they have. In fact, I believe just yesterday they came in with a new request for substantial amounts. One of the problems we have had is, we have not had detailed information as to what were the situations in the various provinces. There has been a little difficulty in getting that information; not really the availability but the accessibility to get it.

For example, last year the FAO asked the Ethiopian Government for permission to go in and do a crop assessment. The Ethiopian Government said it would do the assessment but they never did it. We had asked the Ethiopian Government for information such as, how many trucks their relief agency has, what is the relief agency budget, and what is the projected modus operandi. We have gotten very little of that information.

Now, some of that may just be bureaucratics, but we are fairly persistent with our questions.

Senator HUDDLESTON. I assume it makes it difficult to know how much food aid to send if you do not know the capability for distributing it.

Mr. MCPHERSON. It certainly does, because as you have indicated, Senator, Ethiopia is a combination question of need and logistics.

Senator HUDDLESTON. If you had additional funding above that $16 million that was provided for the distribution system, how would it best be used?

Mr. MCPHERSON. Of course, that $16 million at least today looks like it is going to be reasonably adequate for those needs which we now know of. And so if I had more money I would essentially save it for new needs that might come along. Although new needs might very well come along, I am not coming today and asking for more money.

I can assure you that I am not going to be bashful in asking for additional money if this situation requires it early next year.

Senator HUDDLESTON. What is the capability of those countries to process commodities into usable food?

Mr. MCPHERSON. It depends upon the commodity. For example, grains. It is pretty easy to do grains, because they are accustomed to grinding and so forth. Unfortunately, milk is not nearly as usable. Many populations are not accustomed to it, and it causes problems.

But there is so much surplus milk, it would be nice to use section 416 so much more broadly. I would love to do it.

Senator HUDDLESTON. If you send powdered milk, is there a problem with mixing it with contaminated water? Does that problem make ultra-high temperature milk more suitable?

Mr. MCPHERSON. First of all, if you are going to drink the water anyway, it is not clear to me that it is not worth making the water a little bit more nutritious. However, many populations really are not accustomed to using milk. Groups such as in the highlands in Kenya that have cattle that they milk by and large consume milk.

Now, the milk that we may send over there is processed and liquefied, in fact, as you know is fairly costly so you get into those kinds of questions.

Senator HUDDLESTON. You talked a lot about Ethiopia. Is that where the worst conditions are? Or are other countries even worse off?

Mr. MCPHERSON. There is no place that I feel as frustrated about or as comfortable about regarding our response. It is hard to get into areas in Ethiopia, like in the contested areas. The logistics are difficult in any case, and the government really does not help very much.

But there are some other countries where the need is going to be just as great this next year. For example, regarding Kenya, my projections are that I think it is as big, if not bigger than Ethiopia next year.

Senator HUDDLESTON. Is the Government of Kenya cooperative with the United States?

Mr. MCPHERSON. We receive extensive cooperation.

Senator BOSCHWITZ. Would you say that again? I did not hear your answer.

Mr. MCPHERSON. I am sorry. We were talking about Kenya, and there is no question that the need is going to be quite extensive in Kenya. I was recently there, and had extensive talks with the government. There are some problems in Kenya. There is no question. But the government is quite responsive.

I might point out that the logistics, the geographical situation is much easier in Kenya. Kenya has some difficult areas, but much of it is flat, in contrast to Ethiopia, where a lot of it is mountainous. In Mali, in Niger, these are two other countries that worry me a lot.

Senator HUDDLESTON. Are their governments cooperative?

Mr. MCPHERSON. Yes. Some governments vary in their capability, but with the governments I named I do not find any problem at all in terms of their providing the information they have available.

Senator HUDDLESTON. Thank you very much. I will yield to the Senator.

Senator KASSEBAUM. Thank you.

Senator Boschwitz.

Senator BOSCHWITZ. Let me continue with the roster of countries. What about Mozambique? That was an area of very severe need.

Mr. MCPHERSON. It certainly was, and Senator, as you know, we provided a lot of food this year as well as some inland transportation to Mozambique. I was in Mozambique in July, and talked extensively with folks, and went to some of the camps and other areas.

My assessment at that time, and my assessment from information from our field since, is that the southern part of the country has had some rain, and things are generally improved. There are some areas, for example, the province called Tete, where I continue to be concerned.

Now, that report contrasts, I have to say, with one that I received from Congressman Wolpe the other day, who argued that there were quite a lot of problems in Mozambique. We are checking

it out to see what the situation is, but in general it would appear that Mozambique is going to be better off this next year than last.

Senator BOSCHWITZ. What about the government? Have we found them to be cooperative?

Mr. MCPHERSON. Yes, absolutely. Now, the guerrilla warfare in Mozambique, just as in Ethiopia, causes some problems. For example, to get food to Tete, you cannot take it directly from the capital to Tete. You have to take it around, or at least it appears you have to take it around and in through Zimbabwe, into that part of Mozambique.

Senator BOSCHWITZ. Hasn't that cooled off a good deal internally?

Mr. MCPHERSON. No, sir. In fact, in recent weeks the total amount of guerrilla activity has increased. I think the general feeling is that in time the reverse will be the case, but at least immediately, in the last few weeks, it has increased.

Senator BOSCHWITZ. I ask you again about Zimbabwe. Are we giving aid to this country?

Mr. MCPHERSON. Yes, we are, and there are some problems in Zimbabwe. You may remember that we had some delivery problems in one part of Zimbabwe this last year that in fact did work out. I do not see Zimbabwe being anywhere near the same problem. It will be a problem, and we will be responsive, but it will not be anywhere near the problem of the other countries that we mentioned.

Senator BOSCHWITZ. I believe it is more fertile.

Mr. MCPHERSON. Yes; Zimbabwe is a very fertile land. In fact, it is a good example of what is currently happening in Africa. I have talked to all of you at one time or another about the agricultural pricing policies of countries in Africa, and how governments have held the prices to consumers down below market levels. When they raise them, it looks like there is some response to policy dialog.

Zimbabwe a couple of different times has raised prices. In fact, at one time it raised prices perhaps more than they really needed to, because they almost doubled their production in a year. It is a very fertile land, and as a boy who grew up on a farm, I would not mind some of that nice, black soil. There is some good stuff out there.

Senator BOSCHWITZ. As I recall, they used to be a very large food exporter.

Mr. MCPHERSON. Yes; they did. Zimbabwe and South Africa have been the principal exporters over time of food for the area, particularly corn.

Senator BOSCHWITZ. Secretary Goldberg also mentioned these matters of domestic agricultural policy. How hard do we press them if we are going to give food? How hard do we press them, and what does it mean to the average fellow in Zimbabwe or Mozambique? I suppose he does not have a lot of money to pay for food.

What kind of an impact have we had on their agricultural policy, and what are the constraints on trying to impact their agricultural policies? I address this to either one of you.

Mr. MCPHERSON. We have had a selective, very important impact. These are things that one does not make a speech about or have a big ceremony about usually, because what it amounts to is persuasion and information and data and countries deciding that it

is in their own sovereign interest to change a policy, to pay their farmers more, or whatever.

So, these things are done fairly quietly. At least regarding our role in them, they are quietly done. But we have been very supportive, for example, in the price changes that Senegal has instituted in the last year. Mali is another country where changes have occurred. There are some 16 countries in the last year and a half in Africa where there have been price increases to reflect at least to some extent market rates.

Now, that is not everything, but that is progress. When I look back at where Africa is today in terms of realization of the role of market forces and the realization of the detrimental role that a centralized economic planning has as opposed to how it was when I took this job only 3½ years ago, it is really a markedly better picture.

The world recession had a real impact on this, because all of a sudden people looked around and realized that fundamentally the London School of Economics' teaching in the fifties and sixties had not worked. It is not a matter of ideology. It is a matter of economics. It just did not work.

When your per capita food production has dropped every year for almost 15 years, one has to wonder if something new should be tried. People of various—of different persuasions even in a country like Tanzania are wondering if maybe they should tinker a little bit with some of the role of market forces.

Now, other countries are doing a lot more than tinkering.

Senator BOSCHWITZ. The raising of prices might be satisfactory for the farmers, but may impact consumers in a different way by bringing about larger production. Do you put food beyond the reach of some of these folks?

Mr. MCPHERSON. I do not think so, and I think that really in the long run we help everybody in the country.

What has happened in these countries is that for lack of a democracy, often in the political situation where farmers have to participate, the urbanites with more political power, where there were students, where there were people who could riot, and where there were a lot of other things, the farmers did not get a chance to express their views. The farmers were often and are often the poorest people in these countries.

The net effect of that is that there was a tax on the poorest people due to discriminatory prices. Now, if the prices are allowed to rise, the farmer will end up having enough money often to put fertilizer on his land, so that his food production can be increased, and over time the prices needed to get greater production will subside some.

It is very interesting to look at the history of many African countries compared to our own history in places like Minnesota or Kansas at the turn of the century where the grangers played such an important role in getting the Interstate Commerce Commission so railroads could not exploit farmers, and before that, where farm States had demanded and gotten the land grant colleges to build extension systems and develop research systems.

Those things just do not exist in Africa, because in country after country, farmers do not have political power commensurate with

their numbers. I did not think about this really before a few years ago, but as I got into this in the last few years, I have recognized more and more that economic growth is so importantly tied into democracy because only by democracy do you really prevent the sort of disincentives being imposed upon the disenfranchised in the fashion that has been so common in much of Africa.

Senator BOSCHWITZ. It is an old historical fact, Mr. McPherson, that where there have not been political freedoms, there have not been economic freedoms, and for that matter one has never existed without the other.

Let me ask a couple of other questions, Madam Chairman, and tell me if I am expanding beyond my allotted time.

We spoke about Ethiopia, but we did not speak about the Sudan. There are a million Ethiopians in the Sudan. It is not clear to me that we are helping them. Do you know what kind of aid we are giving to the Sudanese Government with respect to the refugees they have there?

Mr. MCPHERSON. I do not have the number, Senator, but it is quite substantial.

Senator BOSCHWITZ. The money or the numbers?

Mr. MCPHERSON. The numbers are quite substantial.

Senator BOSCHWITZ. The numbers of refugees?

Mr. MCPHERSON. Both. I do not have the exact numbers, but we are providing food and assistance to the refugees that have come over from Ethiopia. It is quite a substantial amount.

I might say that Sudan is another country that in recent days we are beginning to get some figures on that scare us. There are some drought reports that scare us.

Senator BOSCHWITZ. Those refugees I know are faring very badly. Perhaps we will talk about that together. Of the overall food aid that is given to Africa, I heard the figure that we give a third to 40 percent. Is this figure about correct?

Mr. MCPHERSON. Well, you have two different figures. Overall, we calculate, though our figures are not as precise as I would like, that for disaster assistance we have provided roughly 50 percent for disaster assistance this last year. For overall food, for all types of assistance level food, I think the figure is about 30 percent.

Is that right?

Mr. GOLDBERG. [Nods affirmatively.]

Senator BOSCHWITZ. I have spoken of Minnesota as being the home of many large international trading companies.

I have spoken with a number of them, and one of them feels that we should just pump a lot of money into Public Law 480, and that would have a very salutary effect upon the farm program and the costs of the farm programs, and that we might make savings adequate in that area to finance food, and that we would be creating great good in the world.

Can we spend another billion? What would happen if we doubled Public Law 480?

Mr. GOLDBERG. May I respond, Senator?

Senator BOSCHWITZ. Sure.

Mr. GOLDBERG. I would say that if you are talking about expanding Public Law 480, I would look at the number of country participants under title I, and use the expanded appropriated funds. That

is, if the Congress sees fit to do that, to financially help those countries in the credit area under Public Law 480.

I am not sure that expanded funds under the other sections of Public Law 480—I think you have to think that through a little bit other than the normal progress that we have been making.

There are some limitations to both titles II and III, but I think under title I you can look at it from a credit standpoint for those countries who are not now able to qualify for credits under the other assistance programs that we have in place.

I might say, Senator, that one of the popular misconceptions about the percentage of aid that we give in the country, Mr. McPherson alluded to the 30 percent and the 50 percent, but the United States as I understand it supplies about 60 percent worldwide of all the food aid. That is more by a great percentage than all the rest of the nations in the entire world.

Senator BOSCHWITZ. Pardon me just a moment, Mr. Secretary. I am going to have to recess the hearing for about 3 minutes.

[Whereupon, a brief recess was taken.]

Senator BOSCHWITZ. While I may appear to have been abandoned, I believe that my colleagues will soon be back. I would ask that the hearing continue.

It was not clear to me, Secretary Goldberg, from your answer whether or not you feel that we could greatly increase the Public Law 480 program principally in the extended and eased credit parts of title I—is that correct—rather than the donative portions that are under title II?

Mr. GOLDBERG. I think you should look at the financial problems being experienced by many importing nations, and because of those constraints, those nations, if you gave more money—I am talking primarily about title I—that way, they could maintain imports.

Senator BOSCHWITZ. Maintain what?

Mr. GOLDBERG. Maintain the imports that they need. Agricultural imports. I mean they would have concessional credits in order to make those purchases that they otherwise would not be able to do.

Senator BOSCHWITZ. I do not quite follow something. The budgetary impact is the same. To saddle some of those countries with additional debt, even though it is deferred debt, it is not clear to me why the distinction between title I and title II, why give them rather deferred credits than grants?

Mr. GOLDBERG. I do not know if this is true, but in my judgment you would have more Public Law 480 graduates under this kind of program than you do with the other.

For example, when Public Law 480 started, I don't remember how many nations were involved, but you have eight countries today who I would term academic graduates of the program, and who are now among the top 10 cash customers of the United States.

I think that the funding of title I would aid in that direction.

Senator BOSCHWITZ. What do you think, Mr. McPherson? Are we going to be able to constructively use more aid? For instance, we haven't directed our attention to Central America for instance, or other areas where we give more expansive aid in other forms.

Can we, from your assessment of world hunger needs and capability of making such donations or low interest loans or deferred

interest loans, should we double the program? Should we add another billion to it? Should we triple the program?

Mr. McPherson. I think there are a number of questions that need to be asked. First, the 150 budgetary account has become quite competitive. As you increase Public Law 480, you reduce other programs.

Senator Boschwitz. On the other hand, there may be an offset on 350 which is agriculture, I believe.

Mr. McPherson. That is one of the things that we need to think about, it seems to me. This is part of the global budgetary concerns.

The other concern is one that was expressed by Senator Huddleston. You want to make sure that we don't put so much food into countries that we harm the local agriculture. Having said those things, I think we just need to look at it case by case as it evolves.

As you know, the executive branch every year comes up with a budget which we have thoroughly worked over, in our own minds anyway, and balanced off the competing concerns and have figures which we think are supportable and rational. We will be in very close touch with you as the year evolves concerning the title II needs, disaster needs.

But right now, it is my judgment that the moneys which we have asked for are the levels that we should have.

Does that make me a good bureaucrat or a good executive branch spokesman? [Laughter.]

Senator Boschwitz. I guess the hearing perhaps should almost go from country to country, but the exigencies of the Senate and the demands have prevented me from knowing what the needs and the agricultural situations are in those countries. And whether or not there could be more that could be done in some countries. How the aid would be delivered and what the problems would be.

The idea of food aid was very appealing to another Minnesota Senator who had a heavy hand in bringing about the Public Law 480 program, Senator Humphrey, and that same interest fascinates me, to think that perhaps we could do not only good things, but more in the world with food aid than we do with some of the other aid. That may not necessarily be displaced, but supplemented.

Perhaps we could even achieve more internationally in that way. When one sees the surpluses that we have, the temptations are great. Solutions seem so easy. And yet, like most things in life, they are not.

We will have to explore that together.

Mr. McPherson. We would be happy to do that, and I think in the weeks and months ahead that is probably the way to go, to talk about it. We would be happy to do that.

Senator Boschwitz. Maybe we should get together for an evening sometime with a map in hand, and with Secretary Goldberg at our side.

Mr. McPherson. We need somebody there from OMB, too, I think. [General laughter.]

They take an intense interest in my public presentations.

Senator Boschwitz. Do they?

Mr. McPherson. Yes, they do indeed, sir.

Senator BOSCHWITZ. Well, I do have to leave to vote. We have only 4 minutes left on the vote. I have exhausted my questions for the moment, so I will just recess the hearing once again, hopefully briefly.

Mr. CHRISTENSON. They are calling to say the Senators are on their way.

Senator BOSCHWITZ. I understand Senator Kassebaum will be coming back, though I understand there may be another vote following this one. So we will recess for a period of 5 minutes, or until Senator Kassebaum returns.

[A brief recess was taken.]

Senator KASSEBAUM. I think we will continue the hearing because I don't want to cause people unnecessary delay, and there will soon be another vote.

I do have a couple of questions that I would like to ask. I crossed paths with both Senator Huddleston and Senator Boschwitz on the way back, and they said they would not be returning, so I have the field to myself for the moment here.

I would like to ask you a couple of things. Mr. McPherson, I know you have heard me go on about this before, but I would like to ask you again, do we have too many agencies and departments that are involved in the whole food aid process? It is my understanding we have to go through OMB, Treasury, Agriculture, and the regional bureaus at State and so forth, before we can make decisions.

Is there some way to streamline the process?

Mr. Goldberg, perhaps you have some suggestions on this, too, in a way that could make it more effective. Is there a need to go through all of those?

Mr. MCPHERSON. I have thought a lot about that, Senator, and of course, when I first got here and saw the multiple voices, I thought goodness, it just doesn't make good old American management sense, or there ought to be some way to do this.

But each one of the voices is important. There really are four principal voices—OMB, with a budgetary kind of role; the State Department that has a foreign policy interest, and gets involved in some of the title I allocations where indeed title I is a sort of budgetary support, and therefore has an important foreign policy function; there is the Department of Agriculture which, of course, has a marketing interest as well as broader interests, but tends to bring a marketing perspective, a uniquely marketing perspective; and AID with a developmental interest.

Senator KASSEBAUM. Is Treasury involved?

Mr. MCPHERSON. Some. But really, it doesn't have the role of these other parties. It depends upon the issue. Fundamentally, it is those four entities, and within the State Department it is the Assistant Secretary for Economic Affairs that has the lead.

Now, if any one of these players were out of it, their bureaucratic unique contribution would be diminished, and if one player were in charge of it all, I frankly think that everybody else's perspective wouldn't get clearly put into it.

Senator KASSEBAUM. Who takes the responsibility for coordinating it? Do you? Does AID take the major responsibility for coordinating it?

Mr. McPherson. The Department of Agriculture is chairman of the committee. We manage the program in the field, and the Department of Agriculture is in charge of the logistics.

My colleage may want to explain more broadly about logistics back here, the purchase of food and the U.S. end of the process—it is my judgment, sometimes while there may be some confusion and problem, there are no major problems. But it is my judgment that the system works better than what those who are not involved in it tend to think.

Senator Kassebaum. I am sure it must. [Laughter.]

Mr. McPherson. As you can tell by the audience reaction, some others have asked questions on this as well. The problem with Government is it is a problem and an opportunity. I suppose, as you well know, that Government programs almost never have a sole mission.

The multiple mission nature of Public Law 480 program means that you have to continue to reconcile those missions.

Senator Kassebaum. Do you have any observations from the standpoint of the Department of Agriculture?

Mr. Goldberg. I was just thinking, too, Senator, what would have happened if you had asked me the question first. I am glad that Peter got it.

Senator Kassebaum. Well, I was really asking both of you.

Mr. Goldberg. It is not a yes or no answer. I think, humorously, you might say that it depends a little on which agency you ask that question. Some would say that you don't need three that are on the list, and then if you designate which three you are going to eliminate, you would have a problem.

I have been here for 1 year, and Mr. McPherson has been here for 3½ years, and I guess the interagency process, to me, is—well, I am still in the learning stages. I am not going to comment on it, except that USDA pleads that we are the lead agency insofar as the interagency discussions on the thing.

But, generally speaking, my observations have been that it works better than I think the perception is. That is not to say that there cannot be some inefficiencies improved upon, to be sure.

Mr. McPherson. I think the important point, Senator, is that on these emergency allocations, we have been able to approve those in 1, 2, or 3 weeks, systematically, in recent months. In other words, the multiagency process has not been holding back emergency allocations.

Senator Kassebaum. I know that is very true. It is just the efficiency of putting it all together and, even more importantly in my book, is the question of our coordination with other donor nations.

Is that something that AID coordinates?

Mr. McPherson. We do that. As a practical matter, we do that and the PVO's. We are the manager of the program.

Senator Kassebaum. Has there been any thought given to assigning donor countries to assume responsibility for a specific nation, a country in need?

Mr. McPherson. Do you mean like England would take this country and we take that country?

Senator Kassebaum. And, again, coordination. But then there would not be the sort of scattering. There would be some sort of

effort to perhaps utilize our resources a bit better among donor countries.

Mr. McPherson. Donor coordination is something that, for the last 2½ years or 3 years, we have put a lot of energy into because we think it's a problem. It is a problem not only in food, but it is a problem in development assistance and ESF [economic support funds].

Because of that, it is clear that there is growing interest that real concrete steps be taken in donor coordination. You perhaps would want to know that the World Bank Report on Africa, which will be discussed at the World Bank Development Committee in a few days, lays great stress on donor coordination and the Bank, in effect, says that they will take a larger role for coordination of non-emergency kinds of assistance.

On food assistance, the World Food Program of the UNDP tends to take something of that role. It is not everything we would like, but frankly it is remarkably better than it was 2 or 3 years ago. I can see that in several countries.

Almost everybody wants to at least contribute something to Ethiopia or to this or that country. So, to assign a country all to, let's say, England or all to Sweden or something, would not be what individual donors would want.

We have found however, where a country was an overwhelmingly dominant donor, that often that donor has become the de facto coordinator. I think that is a good and positive trend.

Senator Kassebaum. We mentioned Ethiopia a moment ago. I hope I am not repeating some questions that might already have been asked. But you mentioned that just yesterday you received a request from Ethiopia for additional food.

Mr. McPherson. Yes. Our people there in Ethiopia.

Senator Kassebaum. Has there been an effort there? You said we were reluctant to take the lead in urging other donor countries Did I misinterpret what you said?

Mr. McPherson. A little bit. We are not at all reluctant to urge anybody to urge the Ethiopian Government to do more. On the contrary, we are quite aggressive in saying that some of the donors have been reluctant to be as outspoken about these problems as we have.

Senator Kassebaum. I am wondering, would there be any merit in this? Obviously, we do need the cooperation of the Ethiopian Government to a far greater extent than we have received, so could there be a strong statement, because it is an emergency that exists there again. It impacts on the Sudan; it impacts on Kenya. I think the whole area is affected by this.

Could there be an effort made to have all of the donor countries take a very strong united position, saying there will be no further food going to Ethiopia until the government is willing to give trucks, is willing to provide assistance, is willing to clear the ports?

Mr. McPherson. We have not quite taken that position informally, but we have gone in that general direction. We have noted that other donors have not been nearly as assertive as we have.

Senator Kassebaum. Well, the only way it could be effective is if everybody goes together, and I do not know whether the FAO could be the one that would lend some request to that effort or take a

leadership role perhaps, if we would feel it does not quite fault us to be that strong.

Mr. MCPHERSON. We will be as strong as we can effectively be. I think your raising the question here today is helpful to me. It is something which I have often thought about.

Senator KASSEBAUM. Well, it is a rather dramatic approach. You do not like to say there is no food coming. But certainly, if everyone does it, it forces a decision.

Mr. MCPHERSON. My sense is that many donors would not be willing to do that, but they may be willing to do more than what they have.

Senator KASSEBAUM. Mr. Goldberg, did anybody discuss the pre-positioning of commodities? Did that come up?

Mr. GOLDBERG. No.

Senator KASSEBAUM. I would like to ask for your views a bit on that, because that is a suggestion, a recommendation that was made in the Keating Report, too.

What are your thoughts on that? Where, if any, has thought been given to where they would be pre-positioning? Is this in Africa? Would there be the possibility of keeping them somewhere else? How valuable do you think that might be?

Mr. GOLDBERG. Do you want to address that, Peter? I think that AID has worked in Africa to determine positions of where we could best store grains and what types of commodities. I think some work has been done in that area, as well as other countries, to position them so that we could move from one place to another.

Senator KASSEBAUM. Do you anticipate that this will really save some time and cost? I suppose time more than cost.

Mr. GOLDBERG. USDA has already done quite a bit internally. Instead of going through the mail and that sort of thing, we do things on the telephone now. We have pre-positioned bags and stuff at ports in order to speed up the delivery, if that is what you are talking about, recognizing that is a problem.

Mr. MCPHERSON. I think USDA's steps in recent weeks are particularly constructive, and I think may end up saving more delivery time, than almost any step that we could take.

The idea, for example, of being able in some cases to waive bids and buy at port for shipping abroad, in effect, has private dealers becoming our pre-position storage.

Senator KASSEBAUM. Is that going to reduce cost?

Mr. GOLDBERG. Sure. It makes it more feasible. You know, CCC stocks, Senator, are located virtually everywhere in the United States. Some are very small amounts of commodities. If you start getting rid of CCC stocks, however, it is pretty difficult to get any bidder to take on the responsibility of moving it, all those little parts and pieces, all over the United States and to do it very swiftly.

So if you allow them to make a swap or to substitute their stocks at port positions for those stocks, it does speed up the process.

Senator KASSEBAUM. We pay for the storage, of course, wherever it is pre-positioned. Right?

Mr. MCPHERSON. But in this case, Senator, we would not be pre-positioning. The interagency process, acting quickly, of course,

would pull together in a decision that we are going to send some more wheat to Kenya.

The Department of Agriculture might find that there is a U.S. supplier with private supplies in New Orleans that can be directly purchased and put on ship. This would save several days of time.

And, of course, we would pay no storage because we would be purchasing at point of shipping.

Senator KASSEBAUM. I guess I misunderstood. When we were speaking about pre-positioning commodities, I thought these were purchases that were made and then pre-positioned somewhere closer to where they would be needed, and that there would be then that ability to use them far more quickly in moving them to point of need.

Mr. MCPHERSON. You did not misunderstand at all, Senator. What we have done is tried to look at all the steps in the process of delivering food. One of the fairly large time periods was between the time the decision was made and the time when food was actually put on the ship.

So USDA, has worked out some ways to limit that.

Now, as the President suggested, there is the approach of pre-positioning some food in Africa. In addition to what we just discussed, we have been talking about and exploring some different sites in Africa.

Senator KASSEBAUM. There was a suggestion made in a piece that appeared regarding aid, and it was mentioned that there was a belief that a block grant type of approach to the private voluntary organizations would lend a little bit longer term efforts in planning, again with some view to knowing what money might be there and a little more flexibility for the PVO's.

Have you had a chance to give that any thought? If so, what might your thoughts be?

Mr. MCPHERSON. We think that some kind of assurance of long-term relationship between AID and individual PVO's could be constructive for all parties. We have worked out something like this with some universities, our memoranda of understanding, and we have been talking to some PVO's about a similar arrangement. That would give the PVO's a general idea of the kind of work we might be doing with them over the next 2 or 3 years.

As a practical matter, it is clear that a number of PVO's have a pretty good idea already. Catholic Relief and CARE have a pretty good idea of what we are going to do with them in the next 3 or 4 years, because they have a long experience with us.

Maybe we could firm that up in some way that would not be costly for AID.

The term "block grant" has a number of meanings. Some people, some PVO's would be interested in us writing a check for general work sort of ahead of time rather than specifying and working out just what that money would be spent for.

Frankly, we are not as interested in that as we are in other approaches.

A third idea that has been discussed is the possibility that we might move into more incentive programs where we would put up $1 for every $3, or something that they would raise, such as we did for Operation Hunger, the PVO in South Africa, the other day for

drought and disaster in that country. We agreed to put up $1 for every $3 that they were able to raise in South Africa for their hungry people.

That option is one that I think is worth exploring on a broader level. In fact, we have a proposal before us from one PVO on that point and we are going to be looking carefully at it.

Senator KASSEBAUM. There is one other point that I would like to ask about. It concerns the specifics of a program, and this is the section 416.

Mr Goldberg, you mentioned that dairy products have already been very effectively used through that—the donation that was approximately—what—$150 million of market value. Then you mentioned that wheat will be provided under section 416 programming and considered on a case-by-case basis.

How will that work and exactly what do you envision by that?

Mr. GOLDBERG. Wheat, as opposed to surplus dairy commodities, is a much more commercially saleable item worldwide than surplus dairy commodities. The reason I mention that is that it has to be on a case-by-case basis or should be, because you have a problem of commercial displacement, you have a problem of monetization. That is the covering of the cost and the interference it has with normal commercial standards.

In other words, we look at wheat in the same context that we do all surplus commodities in agriculture in this country. We have some commodities in surplus that are extremely difficult, if not almost impossible to sell. And even though we have plenty of wheat on hand, as you well know, Senator, from your State, wheat is a very saleable item for this country.

It is a high quality item. It is in surplus, we know, but it is an item that is certainly marketable. And we have a problem under section 416 in that context.

That is not to say there are not situations where wheat under section 416 could be or should be used.

Senator KASSEBAUM. I think you touched on it in your opening comments. I know that it is something that has concerned me in other hearings that we have held on agriculture and food in Africa, and it is really the larger problem.

But you say here it is not just the giving of food to Africa and the shipments there, it is how we improve the whole mechanism of food distribution and agricultural resources. There are so many nations where there is a declining agricultural production per capita of population, it is very sad to see this take place.

I think it affects the whole continent of Africa to the greatest extent. It is a subject that we have explored before, and will continue to explore.

But the specifics of today's hearing were to get some insight of these two provisions. While they do not necessarily seem large, they may open up some new avenues to us that can help us with the immediate problem of famine conditions that exist there.

I think Senator Pressler has a statement for the record. I have to leave now to vote, and I think as far as any questions to be asked regarding Senator Boschwitz and myself, we have explored them all already. We very much appreciate both of you coming here to testify.

Mr. MCPHERSON. We thank you for t[illegible]e hearings, Senator.

Mr. GOLDBERG. Thank you, Senator.

Senator PRESSLER. Shall I close this for you?

Senator KASSEBAUM. Yes, please.

Thank you.

Senator PRESSLER [presiding]. I will then close this meeting when I finish, unless we hear that some other Senator has returned.

First of all, I want to thank the witnesses and thank you, Senator Kassebaum, for this hearing on food aid to Africa, because it makes such a great difference in terms of our overall foreign policy as well as to our agricultural community.

As you know, our food aid program is not only important to needy people in foreign nations, but also to American farmers and, I might add, to persons living in our cities and throughout our country.

Our food aid to Africa will help save thousands of lives, and also build good will with many nations. Our food aid program has proven itself time and time again. As far as achieving its goals, our food aid program is one of our nation's most successful programs.

On the domestic front, the use of surplus farm commodities in food aid programs helps to reduce surpluses and improve domestic farm prices. In the long term, the Public Law 480 program is almost our most effective agricultural export market development program.

In the program's 30-year history, many nations have gone from being food aid recipients to major purchasers of U.S. farm products. The development of new export markets is the key to a prosperous domestic farm economy.

In conclusion, I would like once again to express my full support for the Public Law 480 program and specifically its efforts to provide much-needed food to the drought-stricken nations of Africa.

I have a couple of questions which, if you have covered for the record, I would not want you to repeat. And I apologize for being late. I have a large number of constituents who are traveling to Greece, and we arranged a briefing for them which I found fascinating, and then I have been voting on the Senate floor, as well as attending two other committees.

We are in the process of reforming our committee system in the Senate, and hopefully we will reach a time when we reduce the number of subcommittees so we are not expected to be in so many places at once. But I am sure you have the same problem.

Have you been working with private relief organizations to help distribute and transport the food in African nations? If so, to what extent are you using these resources? And if you have covered that already, I do not want you to repeat it. I'll read the record.

Mr. MCPHERSON. Very extensively, Senator. I think some 25 PVO's are working with us in Africa.

Senator PRESSLER. Are they efficient? Do they do a good job?

Mr. MCPHERSON. It has worked out quite well.

Senator PRESSLER. Now, I understand major transportation problems have arisen in the shipment of food aid to Africa. Some say

that we can give them food, but it rots on the docks or becomes infested, or you can't get it distributed.

Is that correct?

Mr. McPHERSON. It depends upon the area. We have been having problems with distribution internally in Ethiopia particularly and in other places here and there. By and large, we have been able to distribute the food we have sent, however.

Senator PRESSLER. I want to compliment you both on the work you are doing. I think you are both doing splendid work. I follow it closely, and my staff does also, and we are always looking for recommendations.

I will read the report of this hearing very carefully. Thank you very much.

With that, I will conclude this hearing.

[Whereupon, at 3:45 p.m. the subcommittees adjourned, subject to call of the Chair.]